

September 26, 2001

Carole Washburn, Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Re: PSE Advice No. 2001-36, Time of Day Rate Extension

Dear Ms. Washburn:

The Energy Project concurs with the comments provided by the Office of the Public Counsel in this matter. We would like to underscore further one important point. In her presentation on "Price Signals and Metering" at the Conservation or Crisis Conference in Portland yesterday Penny Gullekson from PSE presented a graph that indicates the vast majority of response from customers was to shift load (89%) or to use less (49%), while a very small number actually installed equipment or insulation (8% and 1%, respectively). Despite PSE's belief that these behavioral changes will persist, it is only common sense that the installation of more efficient equipment, insulation, or other actual energy saving hardware will be much more reliable in saving kilowatts. It was also made clear by a graph Liz Klumpp showed in her presentation on "Conservation from the States' Perspectives" that PSE conservation program is not up to the level of comparably sized utilities, such as Seattle City Light or Avista.

We are very concerned that PSE is spending a substantial budget on this effort, but may in fact be getting only temporal results for the investment. While this may be fine if you want to sell electricity, it is not conservation. Should the Commission decide to extend the TOD experiment, we encourage you to direct PSE to move on from this "faith-based" conservation approach, as one attendee put it, to a vigorous, durable program that is better linked to the price signal effort.

Thank you for the opportunity to make these comments.

Respectfully,

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